

declines are due in large part to the difficulties foreign students now face in getting a visa to study in America.

We must not compromise our security needs to host foreign businesspeople or students. But there must be ways to streamline visa procedures and otherwise lighten the burden to make it easier for foreigners to study and conduct business here.

American universities and research institutes do much of the most innovative research in the world. But over the last 20 years, Federal research funding in the physical sciences and engineering has actually declined by nearly one-third as a share of the economy.

Money invested in Federal research programs pays dividends many times the investment. For example, National Science Foundation funding of research in the basic sciences and engineering has helped discover new technologies that have led to multi-billion dollar industries and created countless new jobs. These include jobs in fiber optics, radar, wireless communication, nanotechnology, plant genomics, magnetic resonance imaging, ultrasound, and the Internet.

We should invest in our future by fully funding research support organizations such as the National Science Foundation, National Institutes of Health, and the Office of Science at the Department of Energy.

Without Government support, private investment in research and development would be less than it should be. The society as a whole needs to foster the research that will build a better nation in the future. The R&D tax credit has helped. But we can improve the R&D tax credit by simplifying it and making it permanent.

The Government has expended a tremendous amount of time, money, and manpower negotiating trade agreements with countries like Bahrain, Morocco, and Colombia. None of these small economies offers much to American exporters.

By contrast, last year, American companies lost more than \$3.8 billion to business software piracy in China alone. Putting more resources toward defending American intellectual property rights would have a real effect on the bottom line for many American companies.

American companies sold \$626.6 billion in copyrighted products in 2002, 6 percent of American GDP, and employed 5.5 million workers, or 4 percent of the American workforce. Their foreign sales and exports amount to \$89 billion, more than most other export sectors. Our intellectual property is among our most valuable assets. Some would say it is now the American comparative advantage. We must do a better job protecting it.

The political bargain that has kept a consensus in support of liberalized trade has long been that in exchange for labor market flexibility, those hurt by trade would have help finding new jobs. That bargain has eroded.

America spends less on labor-adjustment assistance than any major industrialized country. Japan spends nearly twice the share of GDP, Canada nearly three times, and Germany more than eight times as much.

Trade adjustment assistance provides retraining, income support, a health insurance tax credit, and other benefits to workers who lose their jobs due to trade. TAA is not a handout for idle workers, but a means to retrain them for competitive employment and help them through the transition.

We should expand trade adjustment assistance to service workers and emphasize, and possibly expand, the wage insurance program.

And we need to do more to keep jobs in America. For most American companies, health care costs are the single biggest disincentive to hiring new workers. The costs are enormous, increasing at a double-digit pace, far outstripping health care costs in other countries.

America spends more on health care than any other country in the world. Per capita spending on health care in America is nearly 2½ times the average in the industrialized world.

Employers in America also bear much of the cost of the rising number of uninsured Americans through cost-shifting by hospitals and other health care providers. Last year, employers paid an average of nearly \$2,900 for single employee coverage and more than \$6,500 for family coverage.

By contrast, most employers in other industrialized countries do not pay anything for their employees' health care. A Government-sponsored universal health program bears those costs. The difference is hurting America's competitiveness.

We can take several small, practical steps to help lessen health care's burden on American companies. We could provide tax credits to small employers, fund employer-based group-purchasing pools, increase funding for high-risk pools, expand Medicaid and the State Children's Health Insurance Program, and permit a Medicare buy-in for the near-elderly.

But we cannot keep kidding ourselves. We need real change to address the problem of American health care costs. We need to do so, to meet the challenge to America's place in the world.

In reality, the economic reforms in China, India, and Eastern Europe that cause the challenge to American leadership are a good thing. We should want China, India, and Eastern Europe to educate their people, open their markets, and trade with us.

Since World War II, there has been no greater advocate for free markets around the world than America. America has much to gain in a world of free markets. When foreign workers move into more productive work, their incomes will rise. As foreign workers become more prosperous, they will become better able to buy American

goods and services. And by keeping our markets open to foreign products, consumer prices fall on everything from footwear to electronics, making the American consumer's dollar go further. Everyone can be better off.

Trade is not a zero sum game. Increasing competition from China, India, and Eastern Europe does not mean that America will suffer.

Remember, after World War II, America prospered as it helped to rebuild a shattered Europe. Competition from recovering European economies did not hurt America. Rather, as Europe emerged from the devastation of war, the American economy grew along with Europe's. With the right policies, much the same can happen perhaps with much larger positive effects with the growth in China, India, and Eastern Europe.

Remember, in 1957, when the Soviet Union launched Sputnik, the first man-made satellite to orbit the Earth. The challenge of Sputnik gave America the political will to devote the resources needed to become the world's premier space power.

In the same vein, the economic challenge of the next 2 decades presents its own opportunities. The challenge posed by economic development in China, India, and Eastern Europe could help create a political consensus in favor of change and growth.

The former Librarian of Congress Daniel Boorstein wrote: "The most important lesson of American history is the promise of the unexpected. None of our ancestors would have imagined settling way over here on this unknown continent. So we must continue to have a society that is hospitable to the unexpected, which allows possibilities to develop beyond our own imaginings."

We cannot rest on our laurels. But if we remain open to the unexpected, if we allow the possibilities to develop, we can maintain America's leadership in the world.

It will take work. But if we redouble our education, if we open more markets, if we better manage our healthcare, then we can face the challenges of the decades to come.

We must get to work. But if we do, we can make an America that, in Pericles's words, "comes to her testing time in a greatness that surpasses what was imagined of her."

If we do, America can continue to "stand with the allies of freedom" throughout the world.

And if we do, "Future ages will wonder at us, as the present age does now."

The PRESIDING OFFICER (Mr. WARNER). The Senator from Utah.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BENNETT. I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 173, 174,